

**SCOTTSDALE TOURISM DEVELOPMENT COMMISSION  
TOURISM PROGRAM DEVELOPMENT SUBCOMMITTEE MEETING**

**Scottsdale Center for the Arts**

**Large Conference Room**

**7380 East 2<sup>nd</sup> Street**

**Scottsdale, Arizona 85251**

**May 3, 2011**

**APPROVED MINUTES**

**PRESENT:**

Kate Birchler  
Michael Surguine  
Leon Young

**STAFF:**

Steve Geiogamah, Tourism Development Coordinator  
Bob Tunis, Economic Development and Tourism Manager  
Paul Katsenes, Executive Director Comm. & Econ Dev.  
Cheryl Summers, Planning Department  
Jim Mullin, Economic Vitality Director

**ALSO PRESENT:**

Councilman Dennis Robbins  
Rachel Sacco, SCVB  
Brent DeRaad, SCVB  
Susan Potje, Celebration of Fine Art  
Doug Huls, Arizona Sun Circuit  
Stephanie Quinn, Russo and Steele  
Barbara Dietz, Scottsdale Classic Futurity  
Taryl Pearson, Scottsdale Arabian Horse Show

**1. Call to Order/Roll Call**

The meeting was called to order at 3:00 p.m.

**2. Approval of Minutes**

Committee Member Surguine inquired about progress in developing a third party impact study relative to MEAF and special events. Mr. Geiogamah reported that that the Department is looking to implement the study in the next fiscal year.

**COMMITTEE MEMBER SURGUINE MOVED TO APPROVE THE MINUTES OF THE NOVEMBER 10, 2010 MEETING. COMMITTEE MEMBER YOUNG SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF THREE (3) TO ZERO (0).**

Committee Member Surguine inquired about a suggestion to invite the Chamber of Commerce to present an overview of their seminar discussion. Mr. Tunis responded that scheduling conflicts have prevented that event from occurring, but he would work on getting it added to the agenda for next meeting. Committee Member Surguine inquired about the effort to look at best practices from other cities. Mr. Geiogamah responded that staff had presented best practices at the November 30<sup>th</sup> TDC work-study and would bring forward additional information on the practices of local cities at an upcoming meeting.

**COMMITTEE MEMBER SURGUINE MOVED TO APPROVE THE MINUTES OF THE MARCH 8, 2011 MEETING. COMMITTEE MEMBER YOUNG SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF THREE (3) TO ZERO (0).**

### **3. FY11/12 Event Funding Program**

Committee Member Birchler said the opportunities exist to work more closely with event producers to streamline the event process. The Committee has been reevaluating the MEAF Program, and discussed ways to address legacy/signature events and new event development.

Mr. Tunis stated that the situation with event funding is quite complex. Since the program deals with public money, a public process must be followed that sometimes cannot be waived or streamlined. However he agreed that there are ways to make it more efficient and direct in general. Staff is interested in hearing about any procedure that causes hardship to producers, to determine whether something can be done to improve it. Scottsdale's program has been used as a model by other cities, but more can be done.

Committee Member Birchler referred to a document entitled Proposed Event Support Funding Program, prepared by staff, and a memo she wrote proposing the reformation of Scottsdale's entire event process. Elements of these two documents could be used to create something new.

Mr. Geiogamah said the Proposed Event Support Funding Program was presented to the TDC in April. No changes are proposed to the objectives of the program, which is marketing focused and intended to drive room nights. The qualifying criteria would remain the same. The difference is that the funding criteria would change.

Staff proposed a tier-structured program that would provide dollars for events based on funding criteria. For example Tier 1 events would receive up to \$30,000. Those events would have extensive promotions, and would target a more national and international market. Tier 2 events have a more regional or limited promotional scope. They are mid-level events that do no international marketing, but still drive room nights, and have room night growth potential. This tier would be capped at \$15,000. Tier 3 events have minimal marketing or promotions. They are smaller in duration, and offer tourists something to see while they are here, even if the event itself is not the primary purpose for their visit. Tier 3 funding would be capped at \$5,000. The program budget of \$150,000 would not change. The goal is not to impact existing funding for events, but to assist events in growing from one tier to another. This program could also be used to develop new events.

Ms. Pearson felt the proposal was a good idea. She inquired whether the three tiers would offer progressing levels of benefits. Mr. Geiogamah explained that the tiers specifically refer to direct funding of bed-tax dollars. The actual allocation would be based upon the information in the application, as capped at every tier. It would remain a matching program.

Ms. Dietz said she has been going through the City's process since 1996. Even though it is tedious sometimes, it is much simpler compared to the past. Before, it was too subjective. Now producers simply provide the information, and staff evaluates whether it pertains to the criteria or not. The only issue is that events with smaller advertising budgets should be granted greater flexibility when it comes to promoting the City. Sponsors pay more than what the City does, yet are receiving the same exposure. Tier 1 events have the same requirements to promote the City as Tier 3 events, despite the smaller allocation. Mr. Geiogamah suggested that the representation requirements be scaled accordingly.

Mr. Huls said the process is tedious, but he understands why the information is necessary. The program itself is great, since it has allowed the Sun Circuit event to reach a national audience through magazine advertisements. The increased marketing expenditure last year led to a 22% rise in attendance.

Ms. Quinn inquired about legacy/signature events. Mr. Geiogamah explained that the tiers do not address legacy events. This proposal makes no provision for banners; it simply addresses bed tax funding for marketing. The legacy program does not exist at the moment. There is some confusion over this issue, because last year staff was considering building legacy into the revised MEAF program. This new proposal has nothing to do with that.

Committee Member Young said that when he first joined the Commission, there was little discussion over criteria or a uniform way of reporting return on investment. The program took a one-size-fits-all view and this revision is an effort to address the problems with that approach. If the dollar amount is not significant enough to entice legacy events, they should be offered other options that would work better for their particular situation. This would be one way for the city to express its appreciation for events that have contributed so much to the community.

Committee Member Surguine explained that the city proposal formats that had been offered for the legacy program were local in nature and really did not serve tourism very well, which is the purpose of the TDC. That does not mean that the legacy concept should be totally abandoned. Ms. Potje agreed with that approach. She also felt legacy status should be kept separate from MEAF. In her opinion, the paperwork requirements are necessary and not tedious.

Committee Member Young said heritage programs should benefit from a simplified process. After many years of doing the same thing, it is safe to assume that they qualify. Committee Member Birchler said events all have different needs, and benefits should differ for each one accordingly. Once their needs are identified, funding could be extended to support it.

Committee Member Young said the event process can be cumbersome, especially to new events that are unfamiliar with the City's process. It is easy for them to get lost. Committee Member Birchler noted that Tier 1 events have to go through the same process as Tier 3 events, which adds to the tedium. Committee Member Surguine stated that events should be granted the freedom to propose new ways to use the MEAF funds they receive, rather than trying to fit into the program as defined. This would be one way to encourage new ideas.

Ms. Potje said the MEAF definitely paid off last year, allowing her event to publish in seven different national publications last year, which attracted many new visitors. Each event brings a different value to the city. Funding cannot just be about individual events; it has to be about the greater signature of Scottsdale.

Ms. Sacco stated that one of the SCVB's missions is to work with events to generate more visitations to Scottsdale. The SCVB is also interested in finding ways to get people to stay longer. Ms. Potje suggested a method of distributing timely promotional materials. Mr. Huls said the biggest gains in the last few years have resulted from using new ideas. If the TDC can find a way to validate new ideas and fund them, it would be very helpful.

Committee Member Birchler said the marketing world has had to reinvent itself to find unique ways to spread messages. Every program has been reevaluated to see what its return on investment is. She does not believe the same approach should be used for every event. The TDC voted to move forward with the memo she wrote, which emphasizes the need to reformat the program entirely. Staff should work with event producers to determine what makes the most sense for the city as a whole. Event producers should work with the SCVB, which provides the marketing expertise necessary to reach new heights. The Bureau is also familiar with City procedures and can serve as a one-stop shop to help streamline the process. They also recognize revamping the entire program would make it possible to leverage the available money efficiently.

Mr. Tunis inquired about the SCVB's ability to satisfy the proposal within its existing budget. Committee Member Birchler responded that the proposal would not rely solely on the existing resources. The SCVB has had to scale down its human capital during the recession. To take on a program of this magnitude appropriately, the SCVB would need to be able to tap into the resources available within the Tourism budget. Ms. Sacco said the SCVB would do whatever is necessary to build upon the partnership that it has with the City staff. The SCVB is not looking for more work per se, but is willing to do what is necessary to ensure that events get what they need from the bed-tax dollars.

Committee Member Surguine stated that he has been in the Scottsdale tourism industry for many years. Twenty years ago, Januaries were very slow, but today special events turn it into peak season. He would like to see that trend expand to October and November as well. Events would benefit not just from funding, but from the SCVB's expertise. Mr. Katsenes said staff would like to hear from event developers what it is like to work with the SCVB. The City already has a one-stop shop. Staff understands that the banner program needs reworking, and is in the process of doing that.

Committee Member Young noted that Brent DeRaad, who has insight on the City's process, had considerable difficulties getting all the permits necessary for the Fiesta event earlier this year. He questioned whether the Committee contains the right people to get the job done. Perhaps Committee Members could rotate in and out based on specialties, instead of relying on people who then have to turn to others for approval.

Mr. DeRaad explained that it was difficult to get water set up for the Fiesta event, because it was outside the purview of the Special Events Committee. The SCVB would

support any effort to create an overarching event-related program. This is an opportunity to ask questions that are not being asked right now about the big special events. Marketing is a big component of success, but considerations should also be made for venues, parking, and other long-term decisions that will impact tourism years into the future. He stated that the Special Events Committee includes members from every primary City department. They very effectively and efficiently deal with hundreds of special event related proposals every year, and do a great job of moving them through the process. But the Committee is not charged with asking big picture questions. Their role is essential and has to remain part of any overarching event program overhaul. He noted that when ESPN needed a last-minute permit for Fiesta, the Special Events Committee convened over the holiday and issued a permit only minutes before ESPN was to begin building their set.

Ms. Summers stated that the Special Events Committee does not create events or look to recruit them. If someone has an event, they come to the Committee. Events can be large or small. The Committee gathers people from different City departments to consider proposals. The process is very informal. The Committee loves events and works to resolve any issues on the spot. Applicants may be business owners, but not necessarily events producers, so part of the Committee's role is to educate applicants on requirements.

Committee Member Surguine agreed that the work the Committee does is valuable and necessary. The problem is that big events need to know how to be able to get things done outside the Committee's purview sometimes. Scottsdale needs to be a world class special events city. In order to do that, the City has to make it easier for event producers to pursue their ideas. It is up to the TDC, the SCVB, and the staff to figure out how best to do that.

Mr. Katsenes stated that the process works very well for events that take place entirely within WestWorld. When an event takes place on state land, a whole different set of issues come into play. If staff can understand the full range of possibilities, the process can be reconfigured to address them. While events have successfully grown over the years, they have outgrown the processes that the City put in place, and need to be synchronized again. He welcomed opportunities to have event producers meet with staff and the SCVB to explain their future needs and describe the changes they would benefit from. Many issues can be smoothed out through dialogue.

Ms. Pearson said whatever option is chosen, it should not detract from the Economic Vitality Office, because they have something valuable to offer events. The support of both the City and the SCVB are very important.

Ms. Dietz said she started a new event in October at WestWorld last year, and the support that equestrian events get there is great. Ms. Potje said the opportunity to sit down with staff and the SCVB would be very valuable. Mr. Huls said the program is working well for his event. Ms. Dietz felt that the SCVB's efforts to brainstorm with events on cross promotion concepts were very beneficial.

**4. City Special Event Program/Processes & Proposal**

Committee Member Birchler felt that the two proposals do not conflict with each other. The feedback provides insight into what is and is not working. The candid conversation of the November meeting was also valuable. The TDC is tasked with looking out for the greater good of Scottsdale.

Mr. Geiogamah added that staff sees room for improvement as well. The City Council Economic Development Subcommittee might consider reviewing the event proposal at an upcoming meeting. Mr. Katsenes said staff looks forward to meeting individually with producers over the next two weeks to get detailed input on their future needs. He welcomed proposals for new Scottsdale events as well.

Committee Member Young reported that whenever a big event is in the Valley, Scottsdale usually becomes the center for all the associated parties, regardless of where the actual event is held. Other cities have begun to explore ways to prevent this from happening in the future.

**5. Identification of Future Agenda Items**

No new items were identified.

**6. Public Comment**

There were no public comments.

**7. Adjournment**

The meeting adjourned at 4:34 p.m.

Respectfully submitted,  
A/V Tronics, Inc. DBA AVTranz.